

FISCAL NOTE

Bill #: HB0793

Title: Increase solid waste disposal fee to fund recycling program

Primary Sponsor: Mcalpin, D

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
State Special Revenue	\$0	\$406,803
Revenue:		
State Special Revenue	\$407,067	\$628,919
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality (DEQ)

1. There was 1,279,000 tons of solid waste collected in calendar year 2003, which is the basis for FY 2004 revenue. Assuming a 3 percent increase in solid waste collections annually, there will be 1,317,370 tons collected in calendar year 2004, which is the basis for FY 2005 revenue; 1,356,892 tons in calendar year 2005, which will be the basis for FY 2006 revenue; and 1,397,598 in calendar year 2006, which will be the basis for FY 2007 revenue.
2. Current revenues are based upon 40 cents per ton.
3. Additional revenues from this bill for FY 2006 are based on calendar year 2005 collections at 30 cents per ton.
4. Additional revenues from this bill for FY 2007 are based on calendar year 2006 collection estimates at 45 cents per ton.
5. Fees will be collected in FY 2006. Fees will be collected before grants can be awarded. Program expenditures will begin in FY 2007.
6. There will be 0.50 FTE, environmental specialist, needed to support the waste reduction and recycling grant commission in FY 2007. This position will organize the meetings of the commission, and

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(continued)

administer the grants that the commission awards. As the program grows in the 2009 biennium, the FTE will likely need to increase to 1.00 FTE. The cost in FY 2007 for salary and benefits is \$22,248.

7. Operating costs, excluding grants, would include computer (\$1,273); office set up (\$1,703); travel for 5 commission members to 4 meetings and for one staff (\$3,676); office supplies, training, and communication expenses (\$3,042); and agency indirect costs (\$5,340) for a total operating expenses of \$15,034.
8. Grants awarded in FY 2007 are estimated to be \$369,521. This is based on the amount of revenues collected in the FY 2006, minus the personal services and other operating expenses.

FISCAL IMPACT:

Department of Environmental Quality (DEQ)

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
FTE	0.00	0.50

Expenditures:

Personal Services	\$0	\$22,248
Operating Expenses	<u>\$0</u>	<u>\$384,555</u>
TOTAL	\$0	\$406,803

Funding of Expenditures:

State Special Revenue (02)	\$0	\$406,803
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Revenues:

State Special Revenue (02)	\$407,067	\$628,919
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	\$407,067	\$222,116
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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

There will be an increase in solid waste fees paid by local governments and private operators of landfills. Local governments would also be eligible for grants for recycling in their communities.

TECHNICAL NOTES:

1. HB 793 does not expressly authorize the Waste Reduction and Recycling Grant Commission, the Department of Environmental Quality, or any other agency to award grants. Section 3(2) of the bill merely provides that the commission is to set priorities for the award of grants. Section 3(5) provides that the commission may contract with the Department of Environmental Quality for activities pursuant to section 3(1). Section 3(1)(d) provides for allocation of money to local governments, state agencies, community organizations, schools, and other profit and non-profit entities. It is not clear whether these are the grants for which the commission is required by section 3(2) to set priorities. The bill should expressly authorize an agency to award grants and clearly indicate whether the allocations of money under section 3(1)(d) are the grants for which the board is to set priorities or are allocations in addition to grants.